

file for

D'ELDONA GOLD MINES LIMITED



Annual Report



FOR THE YEAR ENDED
APRIL 30, 1965

Directors' Report

To the Shareholders:

D'ELDONA GOLD MINES LIMITED

Your Directors are pleased to submit herewith the Auditor's Report, Balance Sheet and related statements for the year ended April 30, 1965. A brief resumé of your Company's holdings is as follows:

ROUYN TOWNSHIP — Quebec

We are pleased to announce that Falconbridge Nickel Mines Limited, who had undertaken to do additional exploration work on your claims as reported to you last August, have now commenced their program and to date have completed surface mapping and a magnetometer survey, the interpretation of which is still awaited. An induced polarization survey is planned in the immediate future to be followed with a diamond drilling program if results warrant. You will recall that it was this property during 1951 and 1952 that produced 85,000 tons grading 7.7% zinc and 0.17 oz. gold per ton for a total value of \$1,250,000.00. We welcome our association with Falconbridge, which has the strength financially and technically to give your property the necessary further exploration to clarify its mineral position and we look forward for an encouraging picture to emerge.

DUPRAT TOWNSHIP — Quebec

Results on adjacent properties in this area have been disappointing and these claims have now been permitted to lapse.

BEAUCHASTEL TOWNSHIP — Quebec

Several companies are active in this area in which the mineral possibilities are considered interesting. Your claims are covered by work requirements for many years ahead and a policy of watchful waiting has been adopted. Further exploration will depend largely on what picture evolves from this broad area investigation.

MAHAFFY TOWNSHIP — Ontario

Your Company acquired this group of ten mining claims in 1964 immediately after the major copper-zinc-silver discovery of Texas Gulf Sulphur which touched off a major staking rush. Magnetic and electromagnetic surveys were completed on these claims which indicated two weak anomalous features. Before continuing further your directors awaited the drilling results of our neighbour to the east who encountered similar conditions from their surveys. Their drilling results were negative and we have therefore decided to conserve our funds and not subject these claims to any further expenditure.

SALTER TOWNSHIP — Ontario

Your Company holds a royalty interest in a group of claims in this area which shows some promise of a moderate tonnage of medium grade copper ore. While copper prices are today considered satisfactory, a higher price is necessary in order to resume development. All claims are patented and thus in good standing.

The Company continues on the alert for other situations of merit and within its financial means.

On behalf of the Board of Directors,

E. F. FURNISS
President.

Toronto, October 14, 1965.

D'ELDONA GOLD MINES LIMITED

(Incorporated under the laws of the Province of Ontario)

BALANCE SHEET AS AT APRIL 30, 1965

ASSETS

Current assets:

Cash.....	\$	51,628.46	
Province of Ontario bonds, at cost (market value \$5,000.00).....		5,065.00	
Miscellaneous receivables.....		828.46	\$ 57,521.92

Investments

Shares in other mining companies, at cost (market value \$14,540.00).....			26,317.50
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Fixed assets:

Mining claims, at \$253,921.00 attributed to 553,333 shares of the company's capital stock (as presently constituted) issued for the claims, plus \$30,767.50 paid in cash.....	\$	284,688.50	
Equipment, at nominal value.....		1.00	284,689.50

Deferred expenditures and other assets:

Exploration, development and administrative expenditures, per statement...	\$	781,679.38	
Miscellaneous advance.....		1,250.00	
Incorporation and recapitalization expenses.....		7,465.26	790,394.64
			<u>\$1,158,923.56</u>

LIABILITIES

Current liabilities:

Accounts payable.....	\$		1,074.02
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Capital and deficit:

Capital stock (see footnote):

Authorized:

6,000,000 shares, par value \$1.00 each

Issued and fully paid:

4,255,666 shares as at April 30, 1964.....	\$4,255,666.00	
Less — discount.....	2,171,650.00	\$2,084,016.00
400,000 shares issued during year for cash.....	\$ 400,000.00	
Less — discount.....	350,000.00	50,000.00
<u>4,655,666</u> shares.....		<u>\$2,134,016.00</u>

Deficit:

Balance, April 30, 1964.....	\$	975,866.46	
Add — cost of investigation of property prospect ...		300.00	976,166.46
			<u>1,157,849.54</u>
			<u>\$1,158,923.56</u>

Note — There are outstanding options on all or any part of 600,000 shares of the company's capital stock, exercisable as follows:

200,000 shares at 17½¢ per share by September 17, 1965
200,000 shares at 22½¢ per share by December 17, 1965
200,000 shares at 27½¢ per share by March 17, 1966
<u>600,000</u> shares

Approved on behalf of the Board of Directors:

E. F. FURNISS, Director

V. H. HEDGES, Director

D'ELDONA GOLD MINES LIMITED

DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES FOR THE YEAR ENDED APRIL 30, 1965

Balance, April 30, 1964.....			\$773,396.46
Additions during year:			
Exploration expenditures:			
Engineers' fees.....	\$ 450.00		
Government fees and licenses.....	1,112.33		
Geophysical survey.....	2,350.00		
	\$3,912.33		
Deduct — cost of investigation of property prospects, written off to deficit.....	300.00	\$3,612.33	
Administrative expenditures:			
Secretarial and accounting services.....	\$2,600.00		
Share issue and transfer expense.....	1,177.90		
Legal and audit fees.....	325.00		
Shareholders' information and publicity.....	541.44		
Directors' fees.....	225.00		
Stock exchange fees.....	200.00		
Government fees and taxes.....	123.70		
Miscellaneous.....	20.17		
	\$5,213.21		
Less — interest earned.....	542.62	4,670.59	8,282.92
Balance, April 30, 1965.....			<u>\$781,679.38</u>

AUDITORS' REPORT

To the Shareholders of
D'ELDONA GOLD MINES LIMITED

We have examined the balance sheet of D'Eldona Gold Mines Limited as at April 30, 1965 and the statement of deferred exploration, development and administrative expenditures for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statement of deferred exploration, development and administrative expenditures present fairly the financial position of the company as at April 30, 1965 and its activities for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

FISHER, NISKER & COMPANY
Chartered Accountants.

Toronto, Ontario,
July 12, 1965.